

**FY 2002 AND 2003 ANNUAL
PERFORMANCE PLANS**

**FY 2001 ANNUAL PERFORMANCE
REPORT**

Office of Inspector General



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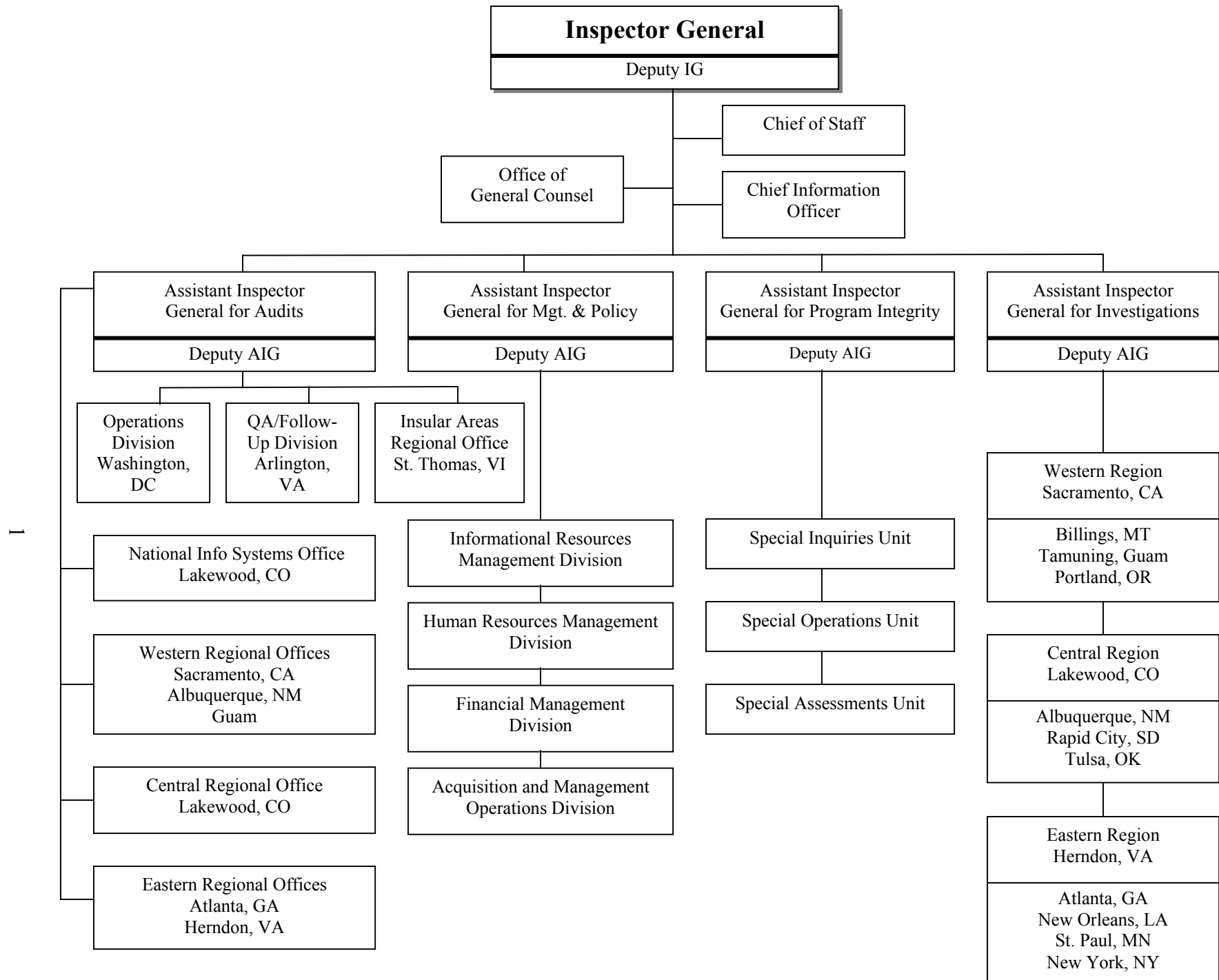


U.S. Department of the Interior

FISCAL YEAR 2003 ANNUAL PERFORMANCE PLAN AND FY 2001 ANNUAL PERFORMANCE REPORT

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FY 2002 AND FY 2003 ANNUAL PERFORMANCE PLANS AND THE FY 2001 ANNUAL PERFORMANCE REPORT



I. OIG MISSION

Promote excellence in the programs, operations and management of the Department of the Interior.

EXECUTIVE SUMMARY

Our combined Annual Performance Plan (APP or Plan), which includes revised targets for fiscal year (FY) 2002, and Annual Performance Report (APR or Report) represents a unified framework that is critical for managing for results. This Plan represents the first year for implementing the Office of Inspector General's (OIG) FY 2002-2006 Strategic Plan, which provides the foundation for our annual plans and provides a comprehensive vision for managing and getting maximum results from our resources. Our Plan attempts to communicate to our staff and our external customers and stakeholders - the Congress, the Department of the Interior (DOI or the Department), the Office of Management and Budget (OMB), and the public – our strategic vision and direction, mission goals and tactical direction for focusing our resources.

The OIG is dedicated to providing high quality products and services to its customers. Our activities are focused on identifying and developing solutions for the Department's most serious management challenges. Our overall goal remains to improve the economy, efficiency, effectiveness and integrity of the Department's programs and management of operations and detecting and preventing fraud, waste, and abuse in those programs and operations. Taking extra steps to develop and communicate solutions to these challenges – particularly for cross-cutting issues – has presented more opportunities for the OIG to help deter problems in the future; and, we have more opportunities to provide the Department with the tools to get the results intended and supported by taxpayer dollars.

The Administration, the Congress and the OMB continue to place increased emphasis on performance-based Government and results-based management. As a result, strategic planning,



performance measurement and linking performance to the budget have been pushed to the forefront for all agencies and organizations. To this end, in FY 2001, the OIG revised its Strategic Plan and Annual Performance Plan to directly tie its activities to the Department's major responsibilities and objectives and to assist the Department in developing solutions to its most serious management and program challenges. Our Strategic Plan identifies the following five goals: 1) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities; 2) Promote effective management of financial, grant and procurement activities; 3) Further DOI's efforts to fulfill its responsibilities to American Indians, Alaska Natives and the Insular Areas; 4) Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components (*see revision below*); and 5) Promote effective coordination and improved management practices among DOI's Bureaus and components.

Our FY 2002 and 2003 annual plans reflect a continuation of the Inspector General's emphasis on creating solutions for the Department's top management challenges. Our activities are designed to not only address key program weaknesses and vulnerabilities but also include efforts designed to educate Departmental employees and managers on how to avoid and correct problems and weaknesses. We have also included collaborative efforts with Insular Area public auditors to help detect and prevent fraud, waste, abuse and mismanagement of Federal funds. We continue to provide training for DOI staff, expanding our outreach and public information efforts, participating in select workgroups and agency/interagency councils, providing internal advisory memoranda during the course of business with a particular Bureau or Office, and using informal means of communicating with Department and Bureau staff on a routine basis. Our strategy for targeting activities also involves an increased emphasis on selecting and designing audits and reviews (including joint audits/investigations) that address cross-cutting or Department-wide issues instead of focusing solely on program areas that may be isolated in one specific Bureau.

Our performance measures and reports, therefore, attempt to capture and articulate the outcomes of our efforts and to demonstrate that we are holding ourselves accountable for achieving our own goals and targets and helping influence the Department's ability and likelihood of achieving key outcomes and results.

CHANGES FROM FY 2001 ANNUAL PERFORMANCE PLAN

Planning is an ongoing process that requires continual monitoring and, when appropriate, modification. We have made slight modifications to our FY 2002/2003 APP to reflect some of our recent successes in specific program areas and to reflect the changing needs of the OIG and the Department. We have also added new measures to further expand our efforts at monitoring performance and results. If major circumstances or requirements change during the coming fiscal years, we will revise our plan accordingly. The following are the key changes or shifts in focus for the OIG:

- ❖ Addition of "Emergency Management" to our list of the Department's Top Management Challenges (Goal 1, Objective d). The tragic events of September 11, 2001 highlighted the need for all Federal agencies to be on the highest alert and ensure that emergency



management capabilities are in place and are effective. One of our activities in FY 2003 will be to conduct a follow-up review of the Anti-Terrorism Supplemental Funding provided to the Department in the latter part of FY 2001 and in FY 2002 to ensure the funds were used for their intended purposes.

- ❖ Improve DOI's efforts to properly maintain its facilities (Goal 1, Objective e): Over the past decade we have conducted numerous audits of maintenance issues for specific Bureaus. Capitalizing on a wealth of knowledge held by our own staff, we assembled a team to address maintenance issues Department-wide. In December 2001 we issued an Advisory Report that provided the Department with a blueprint to more comprehensively address maintenance issues. With that accomplishment behind us, we now believe that health and safety issues – particularly as they relate to maintenance – should be the focus of reviews in the future. Ensuring the health and safety of visitors to DOI's parks and facilities and the health and safety of DOI employees still is one of the Department's most serious challenges and is a high priority for developing solutions to existing problems. In FY 2003, we plan to evaluate the safety of facilities and operations of DOI's concessionaires, as reflected in Goal 1, Objective f.
- ❖ Promote the highest standards of integrity, impartiality and professionalism in DOI law enforcement components (Goal 4). In FY 2001, the emphasis of Goal 4 was specifically on law enforcement issues within the Department. However, due to the expansive reviews conducted on DOI law enforcement by both the OIG and outside organizations, and given the numerous recommendations made in this area, we will not be focusing specifically on law enforcement for the foreseeable future. Therefore, we have revised Goal 4 from specifically law enforcement to DOI as a whole. It now reads: Promote the highest standards of integrity, impartiality and professionalism within DOI. In order to give the Department time to implement recommendations already made, we plan to follow-up on these activities during FY 2004.
- ❖ Deletion of Performance Measure 1 a): "Increase implementation of recommendation within agreed-upon time frame." A measure regarding implementation of recommendations is adequately covered under the Department's APP, as the Department has sole responsibility for implementing our recommendations, not only effectively, but in a timely manner. Our Audit Quality Assurance and Follow-up Unit will, however, continue to conduct follow-up reviews of significant audit recommendations to determine whether sufficient corrections and improvements have been made and whether they have been implemented effectively. In addition, full follow-up audits will be conducted during FY 2002 and FY 2003 on select major program areas to determine if implementation has had the intended effect and desired outcomes have been achieved. In order to effect more immediate results from our recommendations:
 - We will continue our successful practice of communicating our findings to the Department on a real-time basis through our Notification of Audit Findings and Recommendations (NAFR) process, which allows the Department to correct problems and weaknesses when they are discovered;



- The Office of Investigations (OI) has developed a similar tool to communicate findings with the Bureaus: Management Implications Memoranda (MIM's). In FY 2001, the OI was successful in providing advice and solution-oriented recommendations to problems discovered during the course of investigative activities. The OI and the Office of Program Integrity (OPI) implemented the use of MIM's in order to more effectively communicate to management the internal control weaknesses and changes that might be made to enhance the integrity of the affected program. We have received considerable positive feedback from Bureau personnel on the use of MIM's and in our willingness to work more directly with them to resolve significant challenges and vulnerabilities;
 - The OI conducts follow-up of its recommendations through a new initiative of providing a list (every 90 days or quarterly) to each respective Bureau Director that details investigation-related matters that have been referred to them for administrative action; and,
 - We will also continue to share information internally, whenever appropriate, and collaborate and coordinate with the Department and Bureaus in an effort to address problems and formulate solutions as comprehensively as possible.
- Modification of Performance Measure 1 b): “On a biannual basis develop a prioritized list (by significance, vulnerability, dollar amount, etc.) of recommendations that DOI has reported as implemented over an identified six-month period and validate that implementation has occurred.” This measure has been expanded to include all recommendations, regardless of fiscal year.
- Modification of Target for Performance Measure 3 (changed to number 7 in this Plan): “Reduce the average response time for Congressional requests for investigations and reviews to 60-90 days.” The target for this measure has been modified to a more realistic 120 days, based on current trends. In FY 2001, OPI initiated 30 investigations involving senior-level department officials, five of which were requested by Congress. These Congressionally requested investigations have tended to be more complex, involving both criminal and administrative elements, and involve multiple issues, subjects and locations. Based on current trends and existing staff levels, we have revised our target completion time-frame. For Congressionally requested investigations in our FY 2002 and FY 2003 Annual Performance Plans we will aim for a 10% reduction in staff days annually to a final goal of 120 days by FY 2004. We will, however, continue to evaluate our targets as our caseload increases and we will continue to keep the Congress fully and currently informed of the status of investigations.



II. FY 2002 AND FY 2003 ANNUAL PERFORMANCE PLANS

We will utilize the full array of our Audits, Investigation and Program Integrity expertise to provide products and services that target key program areas critical to addressing the Department's Top Management Challenges and to assist the Department in fulfilling its taxpayer-supported mission and achieve desired results. The following are the “Top Ten” Management Challenges that provide the foundation for making decisions on the type of work we do:

TOP MANAGEMENT CHALLENGES OF THE DEPARTMENT OF THE INTERIOR As reported to the Congress

- Emergency Management
- Financial Management
- Grants/Procurement/Contracts Administration
- Government Performance and Results Act Implementation
- Health and Safety
- Information Technology Infrastructure and Security
- Maintenance
- Resource Protection and Restoration
- Responsibilities to American Indians, Alaska Natives and the Insular Areas
- Revenue Collections



Goal 1. Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.

Objective a.

Assist DOI in its efforts to mitigate adverse impacts on public land and water from commercial and recreational activities.

Strategy: Review commercial and recreational activity for which DOI is responsible.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Evaluate the Abandoned Mine Land Reclamation Program. ❖ Review Coal inspection and enforcement. 	<ul style="list-style-type: none"> ❖ Review the Offshore Inspection Program administered by the Minerals Management Service (MMS). ❖ Examine the effectiveness of the regulation of surface coal mining by selected states under grants awarded by the Office of Surface Mining (OSM).

Objective b.

Assist the Department in its management of water resources.

Strategy: Assess DOI's long-term planning for sustained and efficient distribution of water resources.

Means: During FY 2002 and 2003 we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Assess the management of water supply to meet user demand. 	<ul style="list-style-type: none"> ❖ Review the Bureau of Reclamation's (BOR) Water Conservation Field Services Program.



Goal 1. (Continued) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.

Objective c.

Improve DOI's efforts to restore public lands and protect natural and cultural resources.

Strategy: Evaluate DOI's restoration efforts.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
❖ Assess the California Bay-Delta Restoration Program.	❖ Evaluate the monitoring of remediation activities at Kesterson Reservoir, Central Valley Project.

Objective d.

Ensure that DOI's contingency planning and preparedness for natural disasters and terrorist attacks are adequate.

Strategy: Evaluate the Department's planning and preparedness.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
❖ Conduct Phase II of PDD 63 by evaluating DOI's implementation of cyber-based controls.	❖ Assess the use of Anti-Terrorism Supplemental Funding provided to DOI.



Goal 1. (Continued) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
	<ul style="list-style-type: none"> ❖ Monitor the Department's progress in implementing the following four initiatives for providing heightened security for FY 2003, and beyond, to protect its employees, visitors, and facilities. The DOI has committed to: <ul style="list-style-type: none"> ➤ a) Establish adequate security personnel in each Bureau; ➤ b) Protect facilities that have national security or economic significance; ➤ c) Identify and upgrade appropriate facilities in need of security upgrades; and, ➤ d) Strengthen law enforcement on DOI lands adjacent to the nation's northern and southwest borders.

Objective e.

Improve DOI's efforts to properly maintain its facilities.

Strategy: Evaluate DOI maintenance systems and procedures.

Means: During FY 2002, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Complete and issue report on maintenance management systems and the processes used to develop, identify and prioritize the allocation and use of maintenance funds for the Department. 	<p>Note: The focus in FY 2003 will be on health and safety issues (see next page). Objective f. is a new addition to the APP.</p>

**Goal 1. (Continued) Promote DOI's efforts to preserve and protect the Nation's natural and cultural resources and protect DOI facilities.****Objective f.**

Identify and reduce health and safety risks that arise from the operation of DOI programs.

Strategy: Evaluate the state of safety under DOI programs.

Means: During FY 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
	❖ Evaluate the safety of facilities and operations of the DOI's concessionaires.



Goal 2. Promote effective management of financial, grant and procurement activities.

Objective a.

Improve DOI's collection of mineral, oil, and gas royalty payments.

Strategy: Assess regulations, procedures and methods used to value oil, gas and minerals for payments of royalties.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Conduct audit of at least one gas plant. <i>(Part of effort to partner with state oversight entities to review gas royalties valuation).</i> ❖ Assess selected aspects of royalty compliance operations of MMS. ❖ Evaluate the Royalty-in-Kind (RIK) program to assess oil, gas and mineral royalty evaluation methodologies. ❖ Provide fraud awareness training to MMS/Offshore Minerals Management Program (OMMP) employees on OMMP/OIG criminal referral guidelines and MMS in general. ❖ Provide training for and implement criminal referral guidelines between the OIG and MMS/OMMP on matters meriting OIG investigation. ❖ Continue joint Office of Investigations (OI)/Office of Audits (OA) efforts with the MMS to detect and prevent fraud in Mineral Revenue Management. 	<ul style="list-style-type: none"> ❖ Determine whether the Federal Government is suffering a loss of revenues from drainage in coal bed methane fields. ❖ Review factors used to determine expected royalty values in MMS' new Royalty Management System. ❖ Continue to provide fraud awareness training to MMS/OMMP employees on OMMP/OIG criminal referral guidelines and MMS in general. ❖ Continue joint OI/OA efforts with the MMS to detect and prevent fraud in Mineral Revenue Management.



Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.

Objective b.

Enhance the proper collection and use of fees assessed by DOI.

Strategy: Determine whether fees that are authorized by law to be collected are being assessed, collected and used for specified purposes.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Assess the potential for a joint OA/OI review to detect under-reporting of coal production for the purpose of diminishing or evading proper reclamation fee payments to OSM and MMS. ❖ Complete and issue a report on our assessment of DOI's implementation of the Fee Demonstration Program. ❖ Improve our ability to proactively identify and investigate fraud in fee collection programs by providing training on identifying fraudulent activities and program weaknesses. 	<ul style="list-style-type: none"> ❖ Conduct the joint OA/OI review to detect under-reporting of coal and associated reclamation fees. ❖ Improve our ability to proactively identify and investigate fraud in fee collection programs by providing training on identifying fraudulent activities and program weaknesses.



Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.

Objective c.

Further sound business-like management of Federal water resources.

Strategy: Assess BOR policies and practices for recovery of water project costs.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Review BOR's policy for pricing water converted from irrigation to municipal and industrial use. ❖ Complete and issue report on our evaluation of BOR's billing and collection activities. 	<ul style="list-style-type: none"> ❖ Determine whether the BOR has initiated actions to recover the reimbursable costs of projects transferred from the construction-work-in-progress (CWIP) account to completed projects.

Objective d.

Improve financial management throughout the Department.

Strategy: Cooperatively target internal control weaknesses.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Provide oversight and assistance to the contracted audit firms conducting financial statement audits. ❖ Work with the Department and contracted audit firms to resolve material weaknesses and improve internal controls that can be addressed during the audit process. 	<ul style="list-style-type: none"> ❖ Continue to provide oversight and assistance to the contracted audit firms conducting financial statement audits. ❖ Continue to work with the Department and contracted audit firms to resolve material weaknesses and improve internal controls that can be addressed during the audit process.



Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.

Objective e.

Improve contract, procurement and grant management.

Strategy: Assess contract, procurement and grant programs to determine whether they are managed in a fiscally sound manner and funds are properly awarded, monitored and used for their specified purposes.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Assess the use of Travel Cards. ❖ Evaluate information technology acquisitions process. ❖ Audit Fish and Wildlife Service's (FWS) Federal Aid Program grants to states and Insular Areas for fish and wildlife restoration. ❖ Evaluate Federal funds provided to the National Fish and Wildlife Foundations. ❖ Assess concessionaires' use of special deposit accounts. ❖ Evaluate the level and effective use of suspension and debarment actions in the procurement arena. ❖ Provide fraud awareness training to contract, procurement and grant employees. ❖ Specifically focus investigative work on grant fraud. ❖ Utilize debarment/suspension actions in appropriate cases. 	<ul style="list-style-type: none"> ❖ Continue to audit Fish and Wildlife Service's (FWS) Federal Aid Program grants to states and Insular Areas for fish and wildlife restoration. ❖ Evaluate DOI's implementation of the FAIR Act (outsourcing initiatives and requirements). ❖ Examine the award and administration of concession contracts by DOI Bureaus. ❖ Assess DOI's administration of grants and cooperative agreements awarded to non-profit organizations. ❖ Continue to collaborate with the Department and Bureaus to identify fraudulent activities and program weaknesses and initiate investigations that focus on acquisition management, contract and procurement and grant fraud. ❖ Continue to specifically focus investigative work on grant fraud. ❖ Continue to provide fraud awareness training to DOI contract, procurement and grant employees.

**Goal 2. (Continued) Promote effective management of financial, grant and procurement activities.**

FY2002 ACTIVITIES	FY2003 ACTIVITIES
<ul style="list-style-type: none">❖ Continue to collaborate with the Department and Bureaus to identify fraudulent activities and program weaknesses, and initiate investigations that focus on acquisition management, contract and procurement and grant fraud.	<ul style="list-style-type: none">❖ Continue to expand the use of debarment/suspension actions in appropriate cases.



Goal 3. Further DOI's efforts to fulfill its responsibilities to American Indians, Alaska Natives and the Insular Areas.

Objective a.

Improve DOI's management of natural resources on Indian Lands and delivery of services to Indian people.

Strategy: Evaluate programs affecting the use of trust lands and delivery of services.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Evaluate BIA reviews of trust resources managed by Indian governing tribes. ❖ Provide training for Departmental and tribal officials on identifying fraud and underpayment of royalties in royalty programs that benefit Indian people. 	<ul style="list-style-type: none"> ❖ Continue to provide training for Departmental and tribal officials on identifying fraud and underpayment of royalties in royalty programs on Indian lands.



Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians and the Insular Areas.

Objective b.

Improve DOI's administration of Indian education and Indian school maintenance and construction.

Strategy: Determine whether funds provided for Indian education activities are properly used.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Evaluate the Office of Indian Education Programs. ❖ Conduct review of funds provided to Lac Courte Oreille for school construction. ❖ Provide fraud awareness training to select BIA employees ❖ Focus investigative resources to identify contract, procurement and grant fraud in Indian education activities. 	<ul style="list-style-type: none"> ❖ Examine the distribution of funds to Indian schools under the Indian School Equalization Program. ❖ Continue to provide fraud awareness training to select BIA employees. ❖ Continue to focus investigative resources to identify contract, procurement and grant fraud in Indian education activities.



Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians, Alaska Natives and the Insular Areas.

Objective c.

Improve oversight of Indian gaming operations.

Strategy: Assess adequacy of Indian gaming regulation and oversight.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Conduct a joint Audits/Program Integrity assessment of the operations of the National Indian Gaming Commission. ❖ Develop criteria for identifying fraud and corruption and initiating investigations into gaming activities. ❖ Through coordination with National and State Indian Gaming Commissions, improve our ability to identify fraud and corruption in gaming activities that meet our established criteria. 	<ul style="list-style-type: none"> ❖ Evaluate the Operations of the BIA's Office of Indian Gaming Management. ❖ Develop criteria for identifying fraud and corruption and initiating investigations into gaming activities. ❖ Through coordination with National and State Indian Gaming Commissions, continue to improve our ability to identify fraud and corruption in gaming activities that meet our established criteria.



Goal 3. (Continued) Further DOI's efforts to fulfill its responsibilities to American Indians, Alaska Natives and the Insular Areas.

Objective d.

Improve Insular Area governments' administration of Federal funds and collection of revenues.

Strategy: Coordinate with all Federal agencies that provide funding to the Insular Areas to assess the proper management over Federal funds and Insular Area revenues.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Coordinate and perform reviews of DOI assistance to the Insular Areas. ❖ Initiate efforts to enhance the audit capabilities and authority of public auditors in the Insular Areas. ❖ Coordinate with the Office of Insular Affairs (OIA) and other funding agencies to enforce corrective actions by Insular Area governments. ❖ In furthering our efforts for capacity building, collaborate with the OIA and Insular Area agencies to identify and address Insular Area issues related to fraud. ❖ Conduct thorough, fair and timely investigations that identify fraud, waste, abuse and mismanagement in OIA programs and operations and Insular Area governments receiving Federal funds. 	<ul style="list-style-type: none"> ❖ Review Office of Insular Affairs administration and Insular Areas use of DOI funds. ❖ Monitor and evaluate the actions taken by Insular Area governments to improve financial management. ❖ Continue to enhance the audit capabilities of public auditors in the Insular Areas. ❖ Continue to collaborate with the OIA and other funding agencies to identify and address Insular Area issues related to fraud. ❖ Conduct thorough, fair and timely investigations that identify fraud, waste, abuse and mismanagement in OIA programs and operations and Insular Area governments receiving Federal funds.



Goal 4. Promote the highest standards of integrity, impartiality and professionalism within DOI.

Objective a.

Ensure that DOI officials operate their programs and conduct themselves with the utmost integrity, ethics and professionalism.

Strategy: Increase the presence, visibility and responsiveness of the OIG Office of Program Integrity.

Means: During FY 2002 and FY 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
❖ Evaluate the conduct and disciplinary process at DOI.	❖ Develop an outreach and training program to educate program managers about integrity and ethics breaches that OPI has observed as trends and identify how to detect them.

Objective b.

Improve the quality and efficiency of DOI's law enforcement components.

Strategy: Evaluate the overall organization and management of DOI's law enforcement programs.

Means: In FY 2002 and FY 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
❖ Assist the Department in implementing the recommendations contained in the OIG Assessment Report on Law Enforcement in DOI.	❖ Assist the Department in implementing the recommendations contained in the OIG Assessment Report on Law Enforcement in DOI.



Goal 5. Promote effective coordination and improved management practices among DOI's Bureaus and components.

Objective a.

Assist the Department in resolving cross-cutting issues and eliminating redundancies.

Strategy: Identify weaknesses and inconsistencies and offer solutions to issues that impact multiple DOI Bureaus.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Evaluate acquisition of Information Systems. ❖ Identify investigative results that have cross-cutting ramifications to multiple Bureaus. Share this information, through the use of formal Management Implication Memorandums or other informal means, to further promote efficiency and deter waste, fraud and mismanagement in DOI. ❖ Assess the Department's computer security risks. 	<ul style="list-style-type: none"> ❖ Assess security over the DOI's major information systems. ❖ Continue to identify investigative results that have cross-cutting ramifications to multiple Bureaus. Share this information, through the use of formal Management Implication Memorandums or other informal means, to further promote efficiency and deter waste, fraud and mismanagement in DOI.



Goal 5. (Continued) Promote effective coordination and improved management practices among DOI's Bureaus and components.

Objective b.

Enhance cooperation, coordination and communication among the the Bureaus and the Department.

Strategy: Serve as liaison among the Bureaus and Department to improve overall communication within the Department.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Facilitate ongoing communication and coordination among Bureaus and the Department in policy and procedural areas as they are identified through audits, evaluations, and investigations. ❖ Continue fostering liaison with DOI law enforcement leadership to ensure common goals and methods are pursued without overlap. ❖ Participate on select councils that address multiple Bureaus' management issues. 	<ul style="list-style-type: none"> ❖ Facilitate ongoing communication and coordination among Bureaus and the Department in policy and procedural areas as they are identified through audits, evaluations, and investigations. ❖ Follow-up on the progress of the Office of Law Enforcement and Security in developing policies and coordinating joint law enforcement efforts within DOI.



Goal 5. (Continued) Promote effective coordination and improved management practices among DOI's Bureaus and components.

Objective c.

Enhance effectiveness of DOI management practices.

Strategy: Assess the operations of key programs of the DOI.

Means: During FY 2002 and 2003, we will:

FY 2002 ACTIVITIES	FY 2003 ACTIVITIES
<ul style="list-style-type: none"> ❖ Evaluate the employee housing program of the National Park Service to ensure it is adequate and provided in a cost-effective and efficient manner. ❖ Evaluate general controls over major information technology systems of the U.S. Geological Survey. ❖ Conduct follow-up reviews of significant audit recommendations to verify whether sufficient corrections and improvements were made. 	<ul style="list-style-type: none"> ❖ Continue to conduct follow-up reviews of significant open audit recommendations to determine whether sufficient corrections and improvements were made.



***FY 2002/FY 2003 ANNUAL PERFORMANCE PLAN
PERFORMANCE MEASURES***

Targets	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
1) Verify/coordinate Bureau program implementation of audit recommendations and resolution of issues on the most serious operational and management challenges.							
a) On a biannual basis develop and update a prioritized list (by significance, vulnerability, dollar amount, etc.) of all unimplemented recommendations.	N/A	N/A	N/A	List issued by March and September 2002	List issued by March and September 2003	List issued by March and September 2004	List issued by March and September 2005
b) Based on the prioritized list of recommendations that the DOI reports as implemented, verify that implementation has occurred in the top 25 recommendations.	N/A	2 reports issued	2 reports issued	2 reports issued	2 reports issued	2 reports issued	2 reports issued



Targets	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
2) Based on the above list, conduct at least 2 comprehensive follow-up reviews of significant prior year audit reports to determine if implementation of recommendations had the intended effect and achieved desired results.	N/A	N/A	N/A	2 Baseline	2	2	2
3) Increase the percentage of audit effort devoted to program performance audits, i.e., “discretionary” audits, to 60%.	15%	35%	39%	60%	60%	60%	60%
4) Conduct at least two joint projects related to a management or program challenge issue with an outside entity from the audit community.	N/A	N/A	N/A	2	2	2	2
5) Conduct at least two reviews that benchmark best practices that can be applied to influence DOI’s program performance.	N/A	N/A	N/A	2	2	2	2



Targets	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
6) In at least 50% of performance audit work, evaluate and report on the GPRA measures applicable to the program under review.	N/A	N/A	N/A	50%	50%	50%	50%
7) Reduce the average response time for Congressional requests for Investigations and reviews by 10% annually, to a goal of 120 days.	120 days	60-90 days	158 days	143 days	130 days	120 days	120 days
8) For Congressional requests for investigations, the appropriate Congressional members will be notified regarding the status of investigations or reviews within 45 days of receipt.	N/A	N/A	N/A	Status notification within 45 days	Status notification within 45 days	Status notification within 45 days	Status notification within 45 days
9) On a quarterly basis provide an updated list of Investigations-related matters referred to the Bureaus for action to the respective Bureau Director to ensure response to OI.	N/A	N/A	N/A	4 Reports	4 Reports	4 Reports	4 Reports



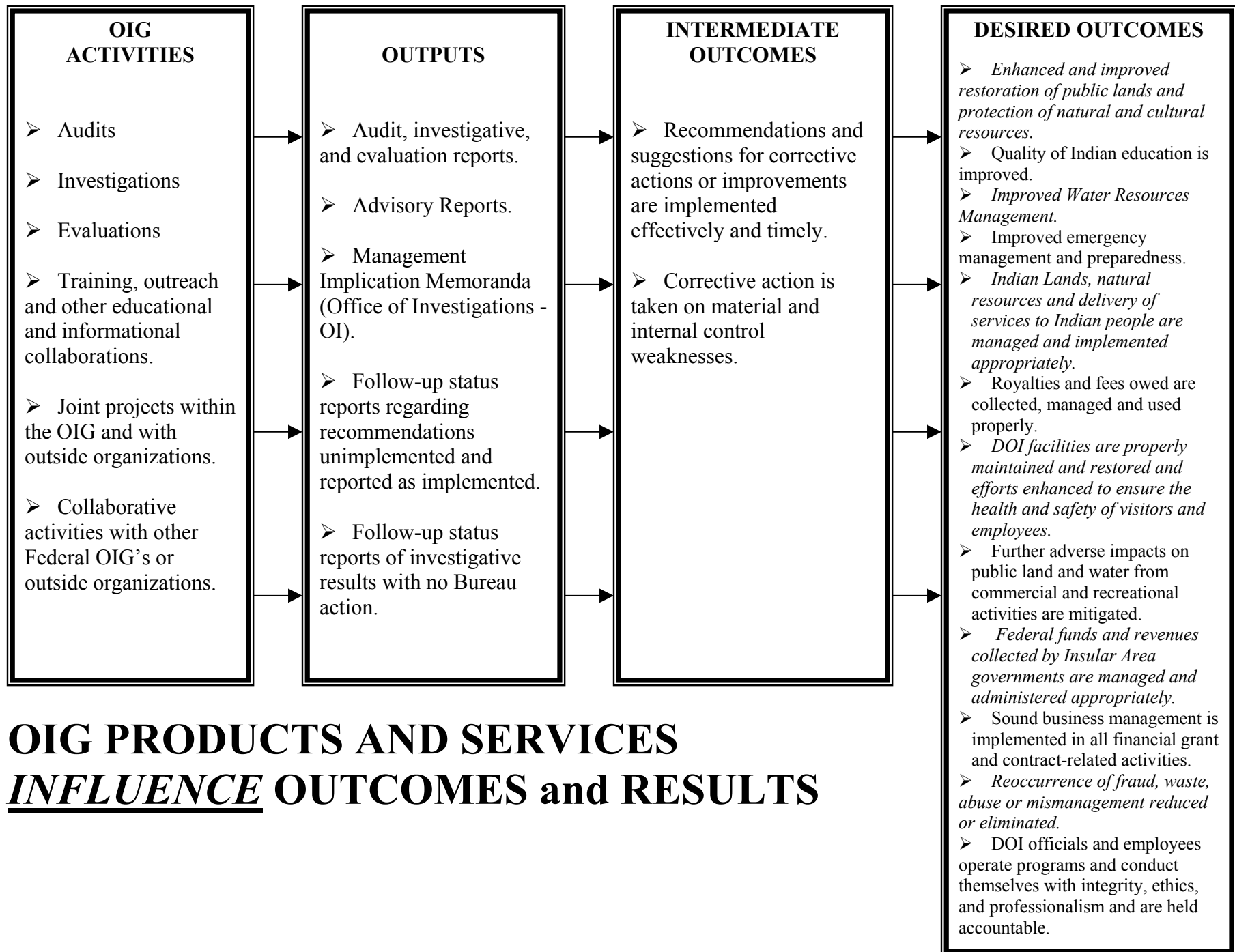
Targets	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
10) Conduct at least one comprehensive Audits/Investigation review of a high priority/high risk DOI program.	N/A	N/A	N/A	1 Review	1 Review	1 Review	1 Review
11) Increase the percentage of our investigative work initiated/opened in a given fiscal year that addresses the DOI's Top 10 Management Challenges (as identified by the OIG), to a goal of 90%.	N/A	N/A	N/A	80% Baseline	90%	90%	90%
12) For investigations/services that require action by the Department or Bureaus, collect customer survey information from the DOI/Bureau(s) upon delivery of all investigative results (including MIM's) to determine OI's effectiveness.	N/A	N/A	N/A	Implemen- tation of survey	100%	100%	100%

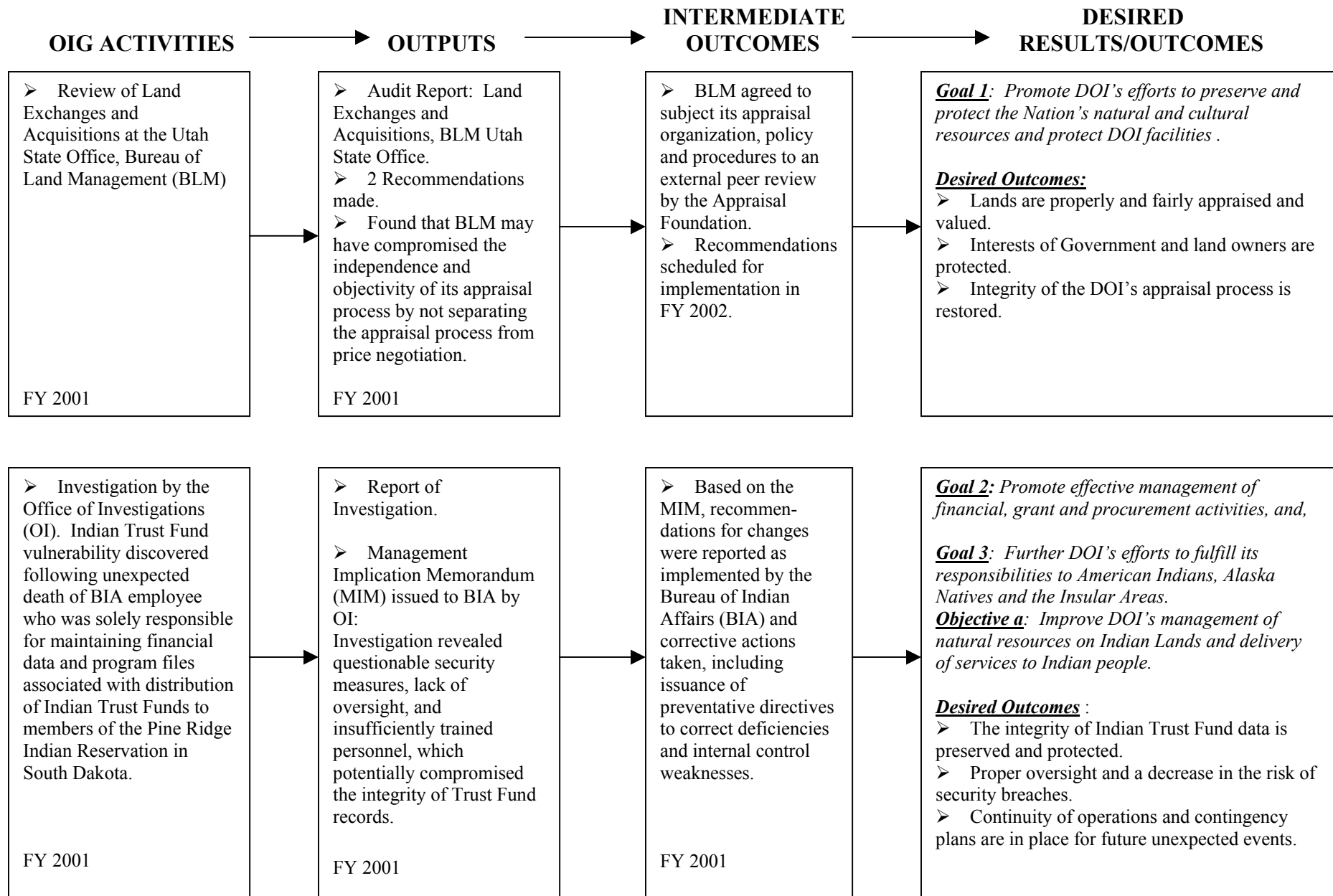


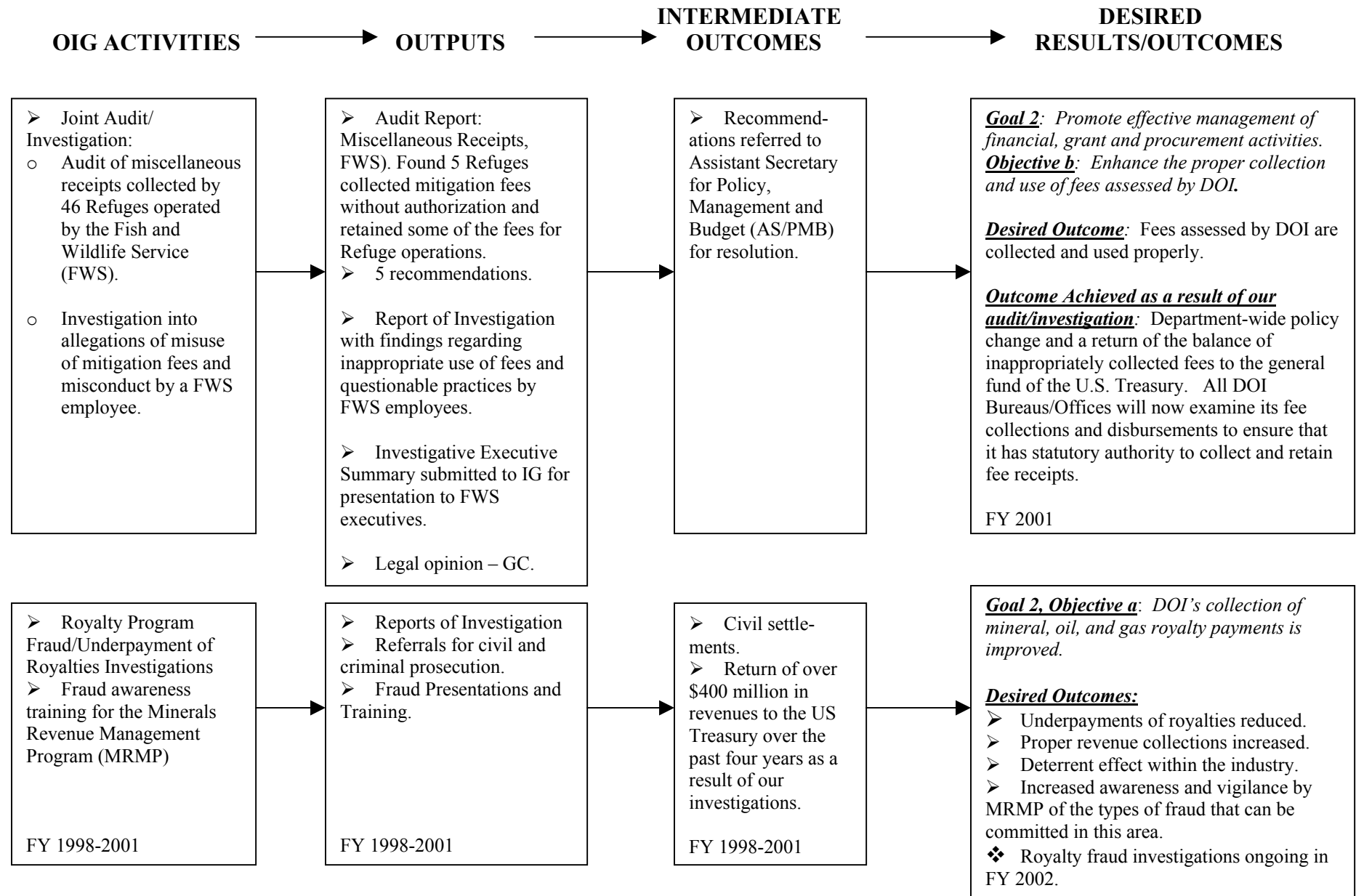
Targets	FY 2000 Actual	FY 2001 Target	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
13) In furthering efforts to prevent fraud, waste, abuse and mismanagement, within 120 days of issuance of MIMs by OI, verify corrective action by the Bureau(s).	N/A	N/A	N/A	Follow-up on 100% within 120 days	Follow-up on 100% within 120 days	Follow-up on 100% within 120 days	Follow-up on 100% within 120 days

OIG PRODUCTS AND SERVICES *INFLUENCE* OUTCOMES AND RESULTS

While it is important to have performance measures to track and report on the results or outcomes of our work, quantifiable targets (percentages, numbers, dollars, time-frames, etc.) should not be the only tool used to articulate the results of our work. In addition, it is important to distinguish the OIG's role in achieving the ultimate desired outcomes. While our work is tied to the Department's core mission areas and responsibilities, we can only *influence* the likelihood of these outcomes being achieved – we cannot control them. While we can control the timeliness of our work products (getting the Department/Bureaus, the Congress, etc., the information they need, when and where they need it), we do not control the implementation process. The Department has sole responsibility for ensuring recommendations are implemented, and implemented effectively and timely. While the performance targets shown on the previous pages are useful in measuring certain aspects of our performance and influence, the following logic models provide real examples of the work we have done (activities and outputs) and the results (outcomes) we have played a major role in helping becoming reality.









III. FY 2001 ANNUAL PERFORMANCE REPORT

FY 2001 was the second fiscal year under this Inspector General's leadership and was a successful year for the OIG. We continue to evolve our performance planning and measurement to better assess the impact of our activities on Departmental programs and operations. Many of our successes and outcomes, internally and externally, are better described in qualitative terms – through success stories or “lessons learned” stories – rather than in quantitative and objective terms using numbers and dollars. We consider both methods to be valuable measurement and management tools and we will continue to utilize both in determining and reporting on the impact of our activities and the effectiveness of the OIG as an organization. In addition, we continue to take significant steps toward streamlining our work processes through staffing and information technology efficiencies, thereby reducing our administrative costs, and improving the products and services we provide to our customers and stakeholders. We have received positive feedback from the Congress, the Office of Management and Budget, and Department officials on many of our new and revised processes, work products and services and we expect to perfect and implement more of the same in FY 2002 and 2003.

FY 2001 PERFORMANCE MEASURES SUMMARY

- 1) Verify and coordinate Bureau program implementation of audit recommendations and resolution of issues on the most serious operational and management weaknesses.
 - a) Increase implementation of recommendations within agreed-upon time-frame.

	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
Targets	N/A	80% Baseline	74%	Measure to be revised			



- b) On a biannual basis develop a prioritized list (by significance, vulnerability, dollar amount, etc.) of recommendations that DOI has reported as implemented over an identified six-month period and validate that implementation has occurred.

	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
Targets	N/A	2 reports issued	2 reports issued	Measure to be revised			

- 2) Increase the percentage of audit effort devoted to program performance audits, i.e., “discretionary” audits, to a goal of 60%.

	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
Target	15%	35%	39%	60%	60%	60%	60%

- 3) Reduce the average response time for Congressional requests for Investigations and reviews to 60 days.

	FY 2000 Actual	FY 2001 Planned	FY 2001 Actual	FY 2002 Target	FY 2003 Target	FY 2004 Target	FY 2005 Target
Target	4 months	60 - 90 Days	158 Days	Target to be revised			

FY 2001 ANNUAL PERFORMANCE REPORT

Our Report is focused primarily on the specific measures we highlighted in our FY 2001 Annual Plan. Many of our program accomplishments over the last year, however, are best described through specific examples of successful outcomes, rather than through quantitative measures. Over the past year, we have instituted several new and improved approaches and tools for providing products and services to our customers and we have increased the use of others based on customer feedback. These practices have an effect on almost every product and service



we provide and have increased and enhanced the impact of our work. Providing specific examples of these business tools achieving desired results appears to be the most effective way to demonstrate the value and the effectiveness of our work. Highlights from FY 2001 are shown in the box below. Specific significant audit and investigative activities are highlighted in our Semi-annual Reports to the Congress.

OIG FY 2001 Program Performance Accomplishments and Highlights

- Increased communication with the Department and its Bureaus, on a real-time basis – prior to final report issuance – to increase the probability of more timely resolution and implementation of OIG recommendations. For example:
 - Increased use of “Notification of Audit Findings and Recommendations” by the Office of Audits, during the course of audit work, as a means for keeping DOI Bureaus currently and fully informed and increase the likelihood of swift resolution and implementation of recommendations;
 - Increased use of “Management Implications Memorandums” by the Office of Investigations and the Office of Program Integrity, in addition to forwarding Investigative results, that incorporate management-related recommendations and options to correct management and internal control weaknesses in Bureaus. This has enhanced our role and focus on meeting the IG mandate to achieve results through *detering* fraud;
- Increased communications with the Congress and the Office of Management and Budget on the status of the DOI’s efforts to address management challenges. Timely communication on the delivery of OIG products and services is in accordance with the IG Act mandate to keep the Congress currently and fully informed; and,
- Increased use of Audit Advisory Reports and Management Reviews.

PERFORMANCE RESULTS

Measure:

- 1) Verify/coordinate Bureau program implementation of audit recommendations and resolution of issues on the most serious operational and management weaknesses.

Performance Target:

- a) Increase implementation of recommendations within agreed-upon time frame.

FY 2001 Target	FY 2001 Actual
80%	75%

Achievement Summary: Target not met.

The Department implemented 75% of recommendations within an agreed upon time-frame. We determined during the course of our review, however, that target implementation dates had been extended for 34 percent (34%) of these recommendations. In addition, we found problems with the data provided.



Data Summary: According to records provided by the Department, 94 OIG audit recommendations were implemented during FY 2001. Using the Department's information, we compared the target to the actual dates that audit recommendations were reported as implemented and computed the percentage of recommendations that were implemented by or within one month of the reported target dates.

During our analysis of the data, we determined that the FY 2001 listing provided by the Department, and used to report performance data, was incomplete. We also identified duplicate entries of recommendations and determined that there were some recommendations that had been implemented that were not in the Departmental listing. We made adjustments for these matters. For better control over the status of recommendations, we plan to incorporate information into our tracking system on the status of recommendations subsequent to their referral to the Department for resolution and implementation.

It is important to note that the Department has agreed to track formal recommendations made in audit reports *and* advisory reports. Also of note is that the Department has agreed to track through the same channels, implementation of recommendations made in a recent Office of Program Integrity Law Enforcement Assessment. "Suggestions" contained in advisory reports, such as those in the Maintenance Advisory Report will not be tracked by DOI.

Measure/Target Assessment: We have found over the last year that implementation of OIG recommendations as an OIG measure, may not be the most appropriate means to measure our successes. Because the OIG has no enforcement authority or program cognizance, we cannot control the timeliness of implementation nor can we control how or if implementation actually occurs. We believe that it is more appropriate for the Department to have this as a performance measure and they have incorporated tracking implementation of recommendations in their FY 2002 Annual Performance Plan. In particular, the Department is tracking recommendations made in areas relating to the Top Management Challenges.

Next Steps: For the foreseeable future, we will discontinue tracking, as an OIG performance measure, "recommendations implemented" to measure our success. We believe that a measure regarding implementation of recommendations is adequately covered under the Department's Annual Performance Plan and portrays their commitment to being accountable for implementation. We may recommend to the Department that they also track efforts to reduce the percentage of target implementation dates that are extended beyond the originally agreed upon target date.

We will, however, enhance our actions to monitor and evaluate the Department's efforts to implement recommendations and resolve issues. Our Audit Quality Assurance and Follow-up Unit will continue to conduct follow-up reviews of significant audit recommendations to determine and verify whether sufficient corrections and improvements have been made. In addition, we will continue to use successful tools such as Notification of Audit Findings and Recommendations (NAFRs) during the course of audit work, as a means for keeping DOI Bureaus currently and fully informed and increase the likelihood of swift resolution and implementation of recommendations. While we are not tracking these activities with quantitative performance measures, we have been tracking – through customer feedback – the



usefulness and effectiveness of these tools and have received considerable positive feedback and seen desired results achieved because of their use. Citing examples of “success stories,” rather than relying on numbers and percentages, should provide a more valuable report for these types of results.

Data Source: Data were provided by the Department.

Measure:

- 1) Verify/coordinate Bureau program implementation of audit recommendations and resolution of issues on the most serious operational and management weaknesses.

FY 2001 Target	FY 2001 Actual
2 Reports	2 Reports

Performance Target:

- b) On a biannual basis develop a prioritized list (by significance, vulnerability, dollar amount, etc.) of recommendations that DOI has reported as implemented over an identified six-month period and validate that implementation has occurred.

Achievement Summary: Target partially met.

While we issued two reports, we did not develop a prioritized list of the recommendations reported as implemented during the respective six-month reporting periods.

Data Summary: Data were submitted to the Department by the Bureaus in support of Bureau requests to classify recommendations as implemented. For our review, we conducted interviews and obtained additional documentation to determine whether reported implementing actions had been taken and whether the actions met the intent of the recommendation. For the six-month period of July 1 through December 31, 2000, the Department reported 36 performance audit report recommendations as implemented. We reviewed and issued a report on the implementing actions related to six of these recommendations. For the six-month period of January 1 through June 30, 2001, the Department reported 39 performance audit report recommendations as implemented. We reviewed and issued a report on the implementing actions related to nine of these recommendations.

As stated in the measure assessment above, we determined that the listing provided by the Department and used to report performance data, was incomplete and had duplicate entries. We made adjustments for these matters, however, incomplete listings did not provide confidence that we were able to target the most significant recommendations. In order to ensure greater data integrity, in FY 2002 we plan to incorporate information into our Audits Information Tracking System (ITS) on the status of recommendations subsequent to their referral to the Department.

Measure/Target Assessment: This is still a relatively new activity and, because of its significance, it is an appropriate output activity to measure and by which to hold ourselves accountable.



Next Steps: The Inspector General has revised this measure in FY 2002 to reflect two distinct activities. In addition, he has requested a prioritized list of all recommendations, regardless of fiscal year. These lists will not only determine which recommendations we assess to verify implementation as having occurred, they will also serve as a basis for determining where to focus finite resources for follow-up audits or reviews – i.e., these lists help ensure we are targeting the most significant unaddressed issues for follow-up assessments. Follow-up audits and reviews are considered “discretionary” activities, in which we determine the area of focus and in which we evaluate the effectiveness of the implementing actions and whether they achieved intended results. Because we have not had significant resources available over the years to conduct discretionary reviews, we must have the best and most complete information available to make the most informed decisions for making resource allocations.

Data Source: Data were provided by the Department.

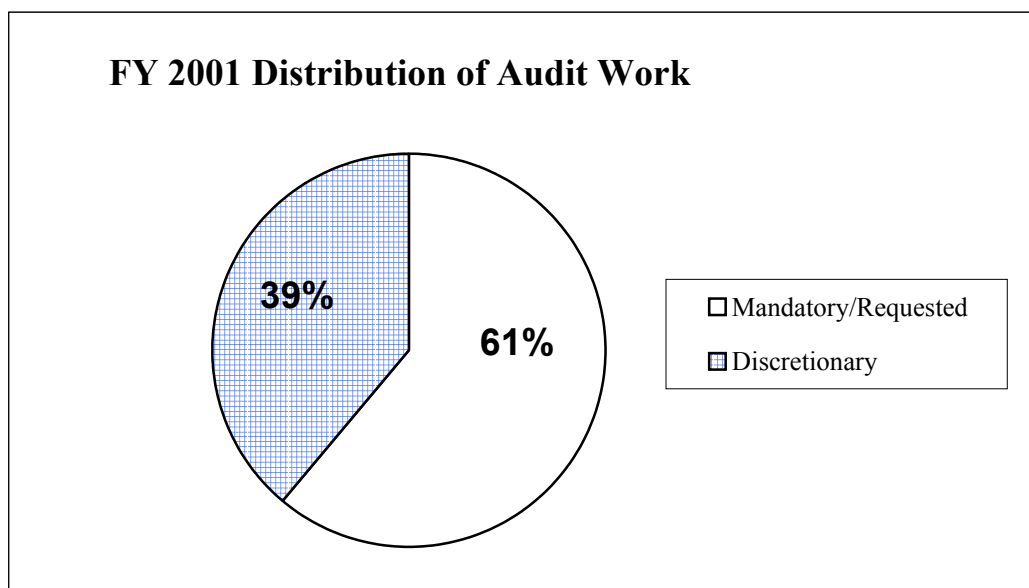
Measure/Target:

- 2) Increase the percentage of audit effort devoted to program performance audits, i.e., “discretionary” audits, to a goal of 60%.

Achievement Summary: Target met.

The increase in performance audit activity in FY 2001 reflects the initial benefit of the Department funding contractors to audit all the financial statements in the latter part of the fiscal year. In June 2001, DOI funded and we provided oversight for contractors on a full scale to audit the Department’s financial statements. This enabled us to begin shifting auditors to high priority performance audits targeting the Top Management Challenges.

FY 2001 Target	FY 2001 Actual
35%	39 %



Data Summary: Using Audits ITS data, we identified the total days charged to all assignments for program performance audits and divided total days charged to performance audit



assignments by days charged to all assignments. Lastly, we computed the percentage of total time applicable to performance audits. The time charges in the ITS provide an accurate means for measuring the overall time charged to the various activities performed by the Office of Audits.

We are in the process of assessing other information systems which not only offer time accounting but also provide a process for linking costs to the different audit phases (survey, verification, report writing), linking our activities with the budget, and for collecting, reviewing, and distributing audit information in an electronic format.

Measure/Target Assessment: Meeting this goal is key to the Inspector General's strategy of using limited resources to assist the Department in addressing and resolving its most serious management challenges. We will maintain this measure and the target of 60% for the foreseeable future.

Next Steps: We anticipate that the use of contractors for the entire fiscal year 2002 will allow us to complete this shift of resources and to finalize our contract audit oversight team. We will continue to emphasize the need to target resources to performance audits of the most critical activities of the Department.

Data Source: We queried the Audits ITS for a summary of staff days charged to all audit-related assignment numbers (such as internal audits, financial statement audits, and indirect cost negotiations) for FY 2001.

Measure/Target:

- 3) Reduce the average response time for Congressional requests for Investigations and reviews to 60-90 days.

Achievement Summary: Target not met.

The original goal of the OPI was to respond to and complete the majority of Congressionally requested investigations within 60-90 days. These cases, however, have tended to involve both criminal and administrative elements and involve multiple issues, subjects and locations, and, therefore, routinely required significantly more time than originally anticipated.

FY 2001 Target	FY 2001 Actual
60-90 Days	158 Days

Data Summary: In FY 2001, the Office of Program Integrity (OPI) initiated 30 investigations involving senior-level department officials, five of which were requested by Congress. This measure is targeted only at Congressional investigations and reviews.

Measure/Target Assessment: Quick-turnaround responses to Congressional requests for investigations remain a top priority for the Inspector General and we will continue to measure this activity and hold ourselves accountable for providing high quality and timely products to the Congress. The OPI only investigates cases that are the most complex and potentially of public concern. When formulating this measure, however, we may have underestimated the level of



complexity of these cases and inadvertently held ourselves to an unrealistic target. A more realistic goal for completing these types of investigations is approximately 120 days.

Next Steps: Based on current trends and existing staff levels, we have revised our target completion time-frame for Congressionally requested investigations in our FY 2002 and FY 2003 Annual Performance Plans to a target goal of 120 days by FY 2004. We will be targeting a 10% reduction annually in the time it requires to complete these investigations and reviews. In order to keep the Congress currently and fully informed regarding the status of requested reviews, we have added an additional output measure for the OPI to inform Congress of the status of our investigations or reviews within 45 days of request receipt.

Data Source: OPI investigations are logged and tracked in the OIG Investigations Tracking System. The numbers of investigations are categorized manually and reported by the Deputy Assistant Inspector General for Program Integrity.

How to Report Fraud, Waste, Abuse and Mismanagement

Fraud, waste, abuse and mismanagement in Government are the concern of everyone – Office of Inspector General staff, Departmental employees, and the general public. We actively solicit allegations of any inefficient and wasteful practices, fraud, and abuse related to Departmental or Insular Area programs and operations. You can report allegations to us by:

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